

Message Text

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65
ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-02 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 /092 R

DRAFTED BY EB/OT/STA:WCLARK,JR.:CLJ

APPROVED BY EB/ITP:MWGLITMAN

TREASURY:POSUCHMAN

EUR/RPE:IMMCCARTHY

----- 130547

P R 132209Z MAY 75

FM SECSTATE WASHDC

TO USMISSION EC BRUSSELS PRIORITY

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY ROME

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY COPENHAGEN

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E.O. 11652: N/A

TAGS: ETRD

SUBJECT: WRAP-UP OF EC CHEESE PROBLEM

REF: EC BRUSSELS 3884

1. LENG OF EC DELEGATION MET WITH DEPUTY ASSISTANT SECRETARY GLITMAN (STATE) AND DEPUTY ASSISTANT SECRETARY SUCHMAN (TREASURY) ON MAY 12. LENG WAS GIVEN COPIES OF TREASURY

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NOTICES WHICH WILL APPEAR IN FEDERAL REGISTER (TEXTS SENT SEPTEL) AND WAS ALSO PROVIDED COPY OF FOLLOWING TALKING POINTS USED IN MEETING. BEGIN TEXT:

-- LET ME BEGIN BY STATING HOW PLEASED WE ARE THAT WE
WERE ABLE TO AVOID A CONFRONTATION ON THIS MATTER. WE
GREATLY APPRECIATE THE COMMISSION'S EFFORTS IN HELPING
RESOLVE THIS DIFFICULT PROBLEM.

-- FOLLOWING RECEIPT OF THE DECISION OF THE COMMISSION
OF THE EUROPEAN COMMUNITIES ON APRIL 23 TO SUSPEND EXPORT
REFUNDS ON EMMENHALER AND GRUYERE FOR EXPORT TO THE UNITED
STATES, THE SECRETARY OF THE TREASURY ANNOUNCED HIS DECISION
NOT TO IMPOSE COUNTERVAILING DUTIES ON THOSE CHEESES FROM
THE EUROPEAN COMMUNITIES THAT CONTINUE TO RECEIVE RESTITU-
TION PAYMENTS FOR EXPORT TO THE UNITED STATES.

-- AS WE HAVE PREVIOUSLY EXPLAINED, FORMAL NOTIFICA-
TION OF THE SECRETARY OF THE TREASURY'S DECISION WILL BE
BY PUBLICATION OF A NOTICE IN THE FEDERAL REGISTER.

-- WE HAVE NOW PREPARED THAT NOTICE AND I WOULD LIKE
TO PRESENT A COPY TO YOU PRIOR TO ITS PUBLICATION. YOU
WILL NOTE THAT IT LISTS, BY COMMUNITY CODE NUMBER, ALL
CHEESES STILL RECEIVING RESTITUTION PAYMENTS UPON WHICH
COUNTERVAILING DUTIES WILL NOT BE IMPOSED. THIS LISTING
WAS PREPARED BY THE UNITED STATES AND VERIFIED BY A REPRE-
SENTATIVE OF THE COMMISSION IN BRUSSELS.

-- I WOULD LIKE TO BRIEFLY RECAP THE SITUATION AS WE
NOW SEE IT TO INSURE THAT NO MISUNDERSTANDINGS ARISE
BETWEEN US IN THE FUTURE.

-- THE COMMISSION NO LONGER PROVIDES RESTITUTION
PAYMENTS FOR CHEDDAR (CODE 4850-00), COLBY AND MONTEREY
(CODE 5120-83), INDUSTRIAL CHEESE FOR PROCESSING (CODE
5120-11, 5120-15, 5120-21) AND EMMENHALER AND GRUYERE
(CODE 3800-00). WE UNDERSTAND THAT PRIOR DISCUSSIONS WILL
BE HELD IF THERE IS ANY CHANGE IN THAT SITUATION.

-- THE RESTITUTIONS REINSTATED ON FEBRUARY 6 REMAIN
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IN EFFECT FOR ALL OTHER CHEESES BEING EXPORTED TO THE
UNITED STATES AND CONTAIN NO RESTITUTIONS FOR OTHER DAIRY
PRODUCTS. WHEN RESTITUTIONS WERE REINSTATED ON FEBRUARY 6
THE COMMISSION INFORMED US THAT IT DID NOT BELIEVE THAT,
GIVEN THE RESTITUTION LEVELS ESTABLISHED, COMMUNITY CHEESE
WOULD UNDERCUT THE COMPARABLE U.S. PRODUCT. WE, FOR OUR
PART, ARE NOT RAISING ANY OBJECTION TO THESE REMAINING
RESTITUTIONS. WE RECOGNIZE NEED FOR TECHNICAL ADJUSTMENT
CAUSED BY FLUCTUATIONS IN MARKET OR ON CURRENCY EXCHANGES.

-- WE BELIEVE THAT ANY PROBLEMS WHICH ARISE IN
THE FUTURE, EITHER FOR THE COMMUNITY OR FOR THE UNITED
STATES, CAN BE SOLVED THROUGH CONSULTATIONS AND ARE PRE-

PARED TO CONSULT WITH A VIEW TO APPROPRIATE ACTION. WE
TRUST THE COMMUNITY SHARES THIS VIEW.

-- I WOULD ALSO LIKE TO POINT OUT THAT THE UNITED
STATES PLANS TO INSTITUTE A MONITORING SYSTEM FOR CHEESE
IMPORTS FROM THE COMMUNITY. IN ORDER TO DO THIS EFFEC-
TIVELY WE WILL REQUIRE THAT CUSTOMS DOCUMENTATION FOR SUCH
IMPORTS CARRY IDENTIFICATION OF CHEESE BY COMMUNITY CODE
NUMBER. ESTABLISHMENT OF THIS SYSTEM WILL REQUIRE A MOD-
IFICATION OF OUR CUSTOMS REGULATIONS AND A 30-DAY PERIOD
FOR COMMENT WILL BE PROVIDED BEFORE THE CHANGES
BECOME EFFECTIVE.

-- LET ME AGAIN STATE MY GOVERNMENT'S APPRECIATION
FOR YOUR EFFORTS AND OUR INTENTION TO CONTINUE WORKING
CLOSELY WITH THE COMMISSION TO STRENGTHEN OUR RELATION-
SHIP, WHICH IS IN BOTH OF OUR INTERESTS. WITH THE CHEESE
ISSUE NOW BEHIND US WE CAN MOVE FORWARD IN THAT DIRECTION.

2. LENG RAISED NO OBJECTIONS TO U.S. PRESENTATION, BUT
STATED HE WAS NOT INSTRUCTED. HE EXPRESSED VIEW THAT,
WITH REGARD FINAL POINT, EC ALSO HOPES WE CAN MOVE AHEAD
IN POSITIVE MANNER AND THAT OTHER COUNTERVAILING DUTY
INVESTIGATIONS NOW UNDERWAY CAN BE RESOLVED IN SPIRIT OF
MUTUAL COOPERATION. INGERSOLL

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Message Attributes

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Margaret P. Grafeld
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BONN
ROME
BRUSSELS
THE HAGUE

DUBLIN
LUXEMBOURG
COPENHAGEN

Type: TE

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